

P 131724Z FEB 09
FM AMEMBASSY VALLETTA
TO SECSTATE WASHDC PRIORITY 1971
INFO EU MEMBER STATES COLLECTIVE PRIORITY
IRAN COLLECTIVE PRIORITY

S E C R E T VALLETTA 000075

NOFORN

E.O. 12958: DECL: 02/13/2019
TAGS: PARM PREL EFIN KNNP MT IR
SUBJECT: IRAN INTERESTED IN "INVESTING" BILLIONS OF EUROS
IN MALTA'S BANKING SYSTEM

REF: 08 VALLETTA 517

Classified By: Charge d'Affaires Jason L. Davis for reasons 1.4 (b) and (d)

1.(S-NF) Alan Caruana (protect), the Chief of Staff to the Maltese Finance Minister who was helpful in our successful attempt (reftel) to persuade Malta to go beyond UN- and EU-approved sanctions in preventing Iran from establishing a presence in Malta's financial sector, mentioned to Charge earlier this week that Iran had recently approached the Maltese Ambassador to France to express interest in "investing several billion euros" in Malta. Charge asked for a meeting to get further details.

¶2. (S-NF) In a February 12 meeting, Caruana shared the text of an email from Malta's Ambassador in Paris, which read in part "(The Iranian Ambassador to Paris) asked whether our Maltese banking system is autonomous or whether it is subject in any way to US or British control. I told him that we certainly adhered to EU rules, but he answered that that would not be a problem because France, for instance, is currently discussing the way to get Iran to invest 4 billion Euros. He said that he would be very interested to know more about the structures of our banking system as eventualy, if we are as sound as I made it seem and if we are not subject to US or British controls, Iran would seriously examine the possibility of investing money in Malta. I am not sure whether we are participating in some financial embargo and tried to avoid the question being asked directly to me."

¶3. (S-NF) Charge told Caruana he assumed based on previous conversations that Malta would have no interest in pursuing such an investment; Caruana confirmed that this was the case and that he had already instructed the Ambassador to stand down.

DAVIS